

**INDEPENDENT AUDITORS' REPORT ON  
BASIC FINANCIAL STATEMENTS, COMPLIANCE,  
AND INTERNAL CONTROLS OF THE  
TWENTY-FOURTH JUDICIAL DISTRICT COURT**

**FOR THE PARISH OF JEFFERSON, LOUISIANA**

*December 31, 2012*

# **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

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*December 31, 2012*

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# **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

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## INDEPENDENT AUDITORS' REPORT

To the Judges of the  
Twenty-Fourth Judicial District Court  
Gretna, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Twenty-Fourth Judicial District Court (the Court), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Court as of December 31, 2012, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 4 through 8 and 33 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Court's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to

prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2013, on our consideration of the Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal over financial reporting and compliance.

KUSHNER LAGRAIZE, L.L.C.

*Kushner LaGraize, L.L.C.*

Metairie, Louisiana  
June 25, 2013



## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### *Management's Discussion and Analysis*

*December 31, 2012*

The Management's Discussion and Analysis (MD&A) of the Twenty-Fourth Judicial District Court's (the Court's) annual financial report provides important background information and management's analysis of the Court's financial performance during the fiscal year that ended on December 31, 2012. Please read this section in conjunction with the basic financial statements and the notes to the financial statements beginning on page 19 of this report.

The MD&A is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2012) and the prior year (2011) is required to be presented in the MD&A.

### **FINANCIAL HIGHLIGHTS**

The net position of the Court at the close of 2012 was \$2,193,804 of which \$146,166 is invested in capital assets and \$885,921 is restricted for the operational costs for the Twenty-Fourth Judicial District Intensive Probation Drug Court and the Domestic Support Services. The remainder is considered unrestricted and may be used for any lawful purpose.

The Court's total net position decreased by \$24,512 in 2012 because total expenses exceeded total revenues by that amount.

The total cost of the Court's programs increased by \$4,419,688. The increase is mainly due to the recognition of "on behalf payments" provided by the Parish of Jefferson that amount to \$4,257,230 (see Note 7, page 26), the Court's post-employment benefits as well as the combination of the Court's departments into a single reporting entity.

The Court's operating revenues increased by \$4,011,142 primarily due to the recognition of "on behalf payments" provided by the Parish of Jefferson for employee related salaries and fringe benefits (see Note 7, page 26) and the Court's post-employment benefits.

# **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

## *Management's Discussion and Analysis - Continued*

*December 31, 2012*

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial report consists of the following basic parts: management's discussion and analysis (this section) the basic financial statements, the notes to the financial statements and supplementary information.

The basic financial statements contained in this report are presented using Governmental Accounting Standards Board (GASB) accounting principles. These financial statements provide overall information about the Court's financial activities on both a short-term and long-term basis. The statement of net position presents information about its assets (resources) and liabilities (the amounts obligated to its creditors). The statement of activities presents information about the current years' revenues and expenses. This statement can be used to measure operating improvements or deterioration. The statement also provides useful information for determining whether the Court's revenues were sufficient to allow the Court to recover all its costs. The notes to financial statements are also an integral part of this report.

### **FINANCIAL ANALYSIS OF THE COURT**

The statement of net position and the statement of activities report information about the Court's activities. These two statements report the net position of the Court and changes in them. Increases or decreases in the Court's net position are one of a number of indicators of whether its overall financial health is improving or deteriorating. However, other non-financial factors that should also be considered include:

- Number of filings (Civil and Criminal)
- Number of Criminal Bonds issued
- Number of participants in Court programs
- Economic condition of the State and Parish



# TWENTY-FOURTH JUDICIAL DISTRICT COURT

## Management's Discussion and Analysis - Continued

December 31, 2012

### Net Position

A summary of the Court's statements of net position is presented in Table I below.

TABLE I

Condensed Statements of Net Position  
as of December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current assets	\$ 2,453,942	\$ 2,297,481	\$ 156,461
NonCurrent assets:			
Capital assets – net	<u>146,166</u>	<u>180,495</u>	<u>(34,329)</u>
Total Assets	2,600,108	2,477,976	122,132
Current Liabilities	312,974	198,557	(114,417)
NonCurrent Liabilities:			
OPEB payable	<u>93,330</u>	<u>61,103</u>	<u>(32,227)</u>
Total Liabilities	406,304	259,660	(146,644)
Net position:			
Net invested in capital assets	146,166	180,495	(34,329)
Restricted	885,921	-	885,921
Unrestricted	<u>1,161,717</u>	<u>2,037,821</u>	<u>(876,104)</u>
Total Net Position	<u>\$ 2,193,804</u>	<u>\$ 2,218,316</u>	<u>\$ (24,512)</u>

As shown in Table I, total assets increased by \$122,132 from \$2,477,976 in 2011 to \$2,600,108 at December 31, 2012. Liabilities increased by \$146,644 from \$259,660 in 2011 to \$406,304 at December 31, 2012. Capital assets decreased by \$34,329 from \$180,495 in 2011 to \$146,166 at December 31, 2012 primarily due to recognition of accumulated depreciation on capital assets..

## TWENTY-FOURTH JUDICIAL DISTRICT COURT

### Management's Discussion and Analysis - Continued

December 31, 2012

#### Changes in Net Position

The Court's net position decreased \$24,512 to \$2,193,804 in fiscal year 2012, from \$2,218,316 at the end of fiscal year 2011. The change resulted primarily from the decrease in net investment in capital assets.

#### Summary of Statement of Activities

The following table presents a summary of the Court's historical revenues and expenses for the fiscal years ended December 31, 2012 and 2011:

TABLE 2

Condensed Statements of Activities  
For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Operating revenues	\$ 5,705,311	\$ 1,694,169	\$ 4,011,142
Operating expenses	<u>6,738,258</u>	<u>2,318,570</u>	<u>(4,419,688)</u>
Operating income (loss)	<u>(1,032,947)</u>	<u>(624,401)</u>	<u>(408,546)</u>
Non-operating revenues			
General revenues	<u>1,008,435</u>	<u>662,497</u>	<u>(345,938)</u>
Change in net position	(24,512)	38,096	(62,608)
Total net position, beginning of year	<u>2,218,316</u>	<u>2,180,220</u>	<u>38,096</u>
Total net position, end of year	<u>\$ 2,193,804</u>	<u>\$ 2,218,316</u>	<u>\$ (24,512)</u>

Operating loss increased by \$408,546 in 2012 due to the recognition of post-employment benefits as well as the combination of the Court's departments into a single reporting entity. Total net position was \$2,193,804 and \$2,218,316 at the end of 2012 and 2011, respectively. The \$24,512 decrease in net position is due to the factors noted above.

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### *Management's Discussion and Analysis - Continued*

*December 31, 2012*

#### **Budgets**

The budget for the Judicial Expense Fund was amended one time during the year. The primary reason for amending the budget was to prevent compliance violations under state law. The major differences between the original budget and the final amended budget were as follows:

- Consulting was increase by \$6,000 to cover costs associated with personnel and employment issues;
- A decrease in Repairs and Maintenance of \$20,000 as the result of a reassessment of the cost of equipment repairs;
- An increase in office supplies of \$10,000 as a result of the reassessment of purchases made by the sixteen individual divisions of court.

#### **Contacting the Court's Financial Management**

This financial report is designed to provide all interested parties with a general overview of the Court's finances and to demonstrate the Court's accountability for money it receives. If you have questions about this report or need additional financial information, contact the Judicial Administrator's Office at (504) 364-3990.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### **STATEMENT OF NET POSITION**

*December 31, 2012*

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 2,271,948
Accounts receivable	26,749
Due from other governments	123,367
Prepaid expenses	31,878
Capital assets (net of accumulated depreciation)	<u>146,166</u>
<b>TOTAL ASSETS</b>	<b>2,600,108</b>
<b>LIABILITIES</b>	
Cash overdraft	14,528
Accounts payable	221,413
Due to victims	53,619
Due to other governments	23,414
OPEB payable	<u>93,330</u>
<b>TOTAL LIABILITIES</b>	<b>406,304</b>
<b>NET POSITION</b>	
Invested in capital assets	146,166
Restricted	885,921
Unrestricted	<u>1,161,717</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 2,193,804</u></b>

# TWENTY-FOURTH JUDICIAL DISTRICT COURT

## STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
Governmental Activities:				
Judicial Activities:	<u>\$ 6,738,258</u>	<u>\$ 1,154,521</u>	<u>\$ 4,550,790</u>	<u>\$ (1,032,947)</u>
Total Governmental Activities	<u>\$ 6,738,258</u>	<u>\$ 1,154,521</u>	<u>\$ 4,550,790</u>	<u>(1,032,947)</u>
General revenues (expenses):				
Fines and fees				554,018
Interest income				270
Donations				6,669
Intergovernmental				447,018
Miscellaneous				<u>460</u>
Total general revenues				<u>1,008,435</u>
Decrease in net position				(24,512)
Net position – January 1, 2012				<u>2,218,316</u>
Net position – December 31, 2012				<u>\$ 2,193,804</u>

***FUND FINANCIAL STATEMENTS***



# TWENTY-FOURTH JUDICIAL DISTRICT COURT

## GOVERNMENTAL FUNDS BALANCE SHEET

December 31, 2012

	Judicial Expense Fund	Intensive Probation Drug Court Fund	Collections Fund	Legal Assistance Program Fund	Nonmajor Funds	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,027,531	\$ 861,744	\$ 85,127	\$ 93,948	\$ 203,598	\$ 2,271,948
Accounts receivable	1,360	8,634	-	6,978	9,777	26,749
Due from other funds	625	3,148	-	-	4,321	8,094
Due from other governments	28,713	94,654	-	-	-	123,367
Prepaid insurance	31,878	-	-	-	-	31,878
<b>TOTAL ASSETS</b>	<u>\$ 1,090,107</u>	<u>\$ 968,180</u>	<u>\$ 85,127</u>	<u>\$ 100,926</u>	<u>\$ 217,696</u>	<u>\$ 2,462,036</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ 14,528	\$ 14,528
Accounts payable	18,347	91,114	-	100,926	11,026	221,413
Due to victims	-	-	53,619	-	-	53,619
Due to other funds	-	-	8,094	-	-	8,094
Due to other governments	-	-	23,414	-	-	23,414
<b>TOTAL LIABILITIES</b>	<u>18,347</u>	<u>91,114</u>	<u>85,127</u>	<u>100,926</u>	<u>25,554</u>	<u>321,068</u>
<b>FUND BALANCES</b>						
Nonspendable	31,878	-	-	-	-	31,878
Restricted	-	877,066	-	-	8,855	885,921
Committed	592,988	-	-	-	-	592,988
Assigned	-	-	-	-	193,190	193,190
Unassigned	446,894	-	-	-	(9,903)	436,991
<b>TOTAL FUND BALANCES</b>	<u>1,071,760</u>	<u>877,066</u>	<u>-</u>	<u>-</u>	<u>192,142</u>	<u>2,140,968</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,090,107</u>	<u>\$ 968,180</u>	<u>\$ 85,127</u>	<u>\$ 100,926</u>	<u>\$ 217,696</u>	<u>\$ 2,462,036</u>

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### **RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION**

*December 31, 2012*

Total fund balances – Governmental Funds		\$ 2,140,968
Cost of capital assets	\$ 897,353	
Less accumulated depreciation	(751,187)	
Less net OPEB obligation	<u>(93,330)</u>	<u>52,836</u>
Net Position of Governmental Activities		<u>\$ 2,193,804</u>

## TWENTY-FOURTH JUDICIAL DISTRICT COURT

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES

For the Year Ended December 31, 2012

	Judicial Expense Fund	Intensive Probation Drug Court Fund	Collections Fund	Legal Assistance Program Fund	Nonmajor Funds	Total
<b>REVENUES</b>						
Charges for Services						
Clerk of Court fees	\$ 185,431	\$ -	\$ -	\$ -	\$ -	\$ 185,431
Bond fees	229,121	-	-	-	-	229,121
Assessment fees	-	268,104	-	-	-	268,104
Probation fees	-	-	-	-	107,119	107,119
Drug Lab fees	-	-	-	-	257,876	257,876
Legal assistance fees	-	-	-	104,851	-	104,851
Domestic support enforcement fees	-	-	-	-	2,019	2,019
Other Revenues						
Fines and fees	-	-	3,091,585	-	-	3,091,585
Federal grants	-	245,861	-	-	47,699	293,560
Interest income	115	-	145	-	10	270
Intergovernmental	4,266,834	437,414	-	-	-	4,704,248
Donations	-	6,669	-	-	-	6,669
Miscellaneous	460	-	-	-	-	460
<b>TOTAL REVENUES</b>	<b>4,681,961</b>	<b>958,048</b>	<b>3,091,730</b>	<b>104,851</b>	<b>414,723</b>	<b>9,251,313</b>
<b>EXPENDITURES</b>						
Judicial Activities						
Advertising	-	965	-	-	81	1,046
Audit fees	15,870	19,840	-	3,925	10,843	50,478
Buildings and structures	-	4,309	-	-	8,167	12,476
Banking	413	-	89	-	-	502
Central telephone service	-	737	-	-	-	737
Cellular phones	17,535	-	-	-	-	17,535
Computer services	-	2,074	-	-	804	2,878
Contract personnel	-	148,318	-	-	50,016	198,334
Drug testing supplies	-	-	-	-	59,017	59,017
Dues and subscriptions	99,786	-	-	-	-	99,786
Equipment rental	-	5,430	-	-	-	5,430
Expense allowance	-	1,200	-	-	-	1,200
FICA	4,225	1,950	-	-	1,618	7,793
Food	-	751	-	-	-	751

## TWENTY-FOURTH JUDICIAL DISTRICT COURT

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES - Continued

For the Year Ended December 31, 2012

	Judicial Expense Fund	Intensive Probation Drug Court Fund	Collections Fund	Legal Assistance Program Fund	Nonmajor Funds	Total
EXPENDITURES (Continued)						
Judicial Activities (Continued)						
Health – current	322,376	43,784	-	-	27,702	393,862
Health – retirement	94,219	12,425	-	-	-	106,644
JPRS	51,765	6,433	-	-	3,951	62,149
Legal assistance	-	-	765	100,926	-	101,691
Liability insurance	35,882	-	-	-	-	35,882
Life – current	4,145	515	-	-	307	4,967
Life – retirement	3,891	221	-	-	-	4,112
Linen services	-	537	-	-	-	537
Medicare	35,312	5,490	-	-	3,442	44,244
Meetings	11,930	-	-	-	-	11,930
Miscellaneous expense	16,073	123	-	-	-	16,196
Office supplies	39,691	21,607	-	-	25,308	86,606
PAR employee	497,653	57,398	-	-	34,551	589,602
Pension factor	49,258	911	-	-	549	50,718
Professional services	15,043	362,984	-	-	3,050	381,077
Physicals	-	10	-	-	-	10
Postage	6	506	-	-	-	512
Repairs and maintenance	28,899	-	-	-	-	28,899
Restitution	-	-	242,877	-	-	242,877
Salaries	3,183,063	380,535	-	-	238,498	3,802,096
Secretary	3,000	-	-	-	-	3,000
Security guard	-	73,418	-	-	-	73,418
Small computer equipment	6,215	990	-	-	2,285	9,490
Storage	16,224	-	-	-	-	16,224
Training & travel	83,766	24,864	-	-	1,076	109,706
Unemployment	11,323	1,407	-	-	864	13,594
Uniforms	-	652	-	-	628	1,280
Capital outlay	9,643	12,772	-	-	-	22,415
<b>TOTAL EXPENDITURES</b>	<b>4,657,206</b>	<b>1,193,156</b>	<b>243,731</b>	<b>104,851</b>	<b>472,757</b>	<b>6,671,701</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	24,755	(235,108)	2,847,999	-	(58,034)	2,579,612

## TWENTY-FOURTH JUDICIAL DISTRICT COURT

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES - Continued

For the Year Ended December 31, 2012

	Judicial Expense Fund	Intensive Probation Drug Court Fund	Collections Fund	Legal Assistance Program Fund	Nonmajor Funds	Total
OTHER FINANCING SOURCES (USES)						
Transfers in (out)						
Judicial interest	6,484	-	(6,484)	-	-	-
Contempt payments	8,314	-	(8,314)	-	-	-
Probation fees	-	202,626	(295,633)	-	93,007	-
Total transfers in (out)	14,798	202,626	(310,431)	-	93,007	-
Fines and fees transferred to Other governments	-	-	(2,537,568)	-	-	(2,537,568)
TOTAL OTHER FINANCING SOURCES (USES)	14,798	202,626	(2,847,999)	-	93,007	(2,537,568)
NET CHANGE IN FUND BALANCES	39,553	(32,482)	-	-	34,973	42,044
FUND BALANCES BEGINNING OF YEAR	1,032,207	909,548	-	-	157,169	2,098,924
END OF YEAR	<u>\$ 1,071,760</u>	<u>\$ 877,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,142</u>	<u>\$ 2,140,968</u>

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### **RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

*December 31, 2012*

Total net change in fund balance – governmental funds	\$	42,044
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Amounts reported for governmental activities in the  
Statement of Activities is different because:

Capital outlay	22,415	
Depreciation expense	(56,284)	
Loss on disposal of capital assets	(460)	
Current year OPEB obligation	<u>(32,227)</u>	<u>(66,556)</u>

Decrease in net position of governmental activities	\$	<u>(24,512)</u>
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# **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

## **NOTES TO FINANCIAL STATEMENTS**

*December 31, 2012*

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Twenty-Fourth Judicial District Court (the Court) conform to U.S. generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

#### ***Reporting Entity***

The Court is a level of the judicial branch of government and is governed by sixteen (16) independently elected judges with 6 year-terms. As required by U. S. generally accepted accounting principles, the basic financial statements of the reporting entity present the primary government and its component units. The accompanying basic financial statements present the Court as the primary government. No other organization was determined to be a component unit of the Court. Therefore, no blended or discretely presented component units are presented in the accompanying basic financial statements.

Since the Court Judges are independently elected officials, and the district is legally separate and fiscally independent, they are considered a separate governmental reporting entity.

There are unrecorded financial transactions between the Jefferson Parish Council (the Parish) and the Court where the Parish provides office space, courtrooms, and various other items. These transactions between the Court and the Parish are mandated by state statute and do not reflect fiscal dependency; thereby, they do not reflect financial accountability.

The financial statements of the Court include all funds and activities that are within their oversight responsibility.

#### ***Basis of Presentation***

The accompanying basic financial statements of the Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.



# **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

## **NOTES TO FINANCIAL STATEMENTS - CONTINUED**

*December 31, 2012*

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

#### ***Basis of Presentation - Continued***

GASB Statement No. 63 - "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" is adopted for the fiscal year ended December 31, 2012. GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, Elements of Financial Statements introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period and acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting these financial elements, which are distinct from assets and liabilities. Concepts Statement No. 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This statement amends the net asset reporting requirements in GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources in the definitions of the required sections of the residual measure and by renaming that measure as net position rather than net assets.

#### ***Basis of Accounting***

##### Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. Activities are presented using the economic resources method. The accounting objective of this measurement focus is the determination of operating income, changes in assets and financial position. All assets and liabilities (whether current or noncurrent) associated with the government's activities are reported. Fund equity is classified as net position. Government activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, the Statement of Net Position and Statement of Activities present revenues, expenses and capital asset acquisitions as follows:

Revenues - Revenues are recognized in the accounting period in which they are earned.

Grants - Grants are recognized as soon as all eligibility requirements imposed by the provider have been met.

Expenses - Expenses are recorded when the liability is incurred or economic asset used.

Capital Assets - All capital assets are valued at historical cost, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program income. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to participants or applicants who use or directly benefit from the services or privileges provided by the given function or segment and 2) grants that are restricted to meeting the capital or operational requirements of a particular function or segment. Other items not properly included in program revenues are reported instead as general revenues.

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### **NOTES TO FINANCIAL STATEMENTS - CONTINUED**

*December 31, 2012*

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

##### ***Basis of Accounting – Continued***

##### **Fund Financial Statements**

The Court uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are typically classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resource measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

Operating statements of these funds present increases (i.e., revenues and grants) and decreases (i.e., expenditures) in net current position.

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Fees collected and held by intermediary collecting governments at year-end on behalf of the Court are considered susceptible to accrual and are recognized as revenues. The Court considers all revenues available if they are collected within 60 days after the fiscal year end.

The Court reports the following major governmental funds:

##### **Judicial Expense Fund**

As provided by Revised Statutes 13:994 through 13:995, the Fund was created for the purpose or purposes related to the proper administration or function of the Twenty-Fourth Judicial District Court or the offices of the individual judges of the Twenty-Fourth Judicial District Court.

The Judges en banc, shall have control over the fund and all disbursements made thereafter. They shall cause to be conducted annually an audit of the fund and the books and accounting thereto, and shall file with the Office of the Louisiana Legislative Auditor, where it shall be available for public inspection. All accounting transactions are recorded and maintained by Judicial Administration.

# **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

## **NOTES TO FINANCIAL STATEMENTS - CONTINUED**

*December 31, 2012*

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

#### ***Basis of Accounting – Continued***

##### **Intensive Probation Drug Court Fund**

As provided by Revised Statutes 13:5304, the Fund was created for the purpose or purposes related to the establishment and proper administration of a probation program of the Twenty-Fourth Judicial District Court to be administered by the presiding judge or judges thereof or by an employee designated by the Court of the Twenty-Fourth Judicial District Court. All accounting transactions are recorded and maintained by the Jefferson Parish accounting department.

##### **Collections Fund**

As provided by the Louisiana Constitution Article 5, Section 27, the Sheriff for the Parish of Jefferson is the "collector of state and parish ad valorem taxes and such other taxes and license fees as provided by law." Through agreement with the Sheriff, the Court has established a collection department in an effort to increase the collection of court costs, fines and fees.

The Fund, by approval of the Management Committee of the Twenty-Fourth Judicial District Court, was created for the purpose or purposes related to the proper administration of the collections of court costs, fines and fees as assessed to defendants in the Twenty-Fourth Judicial District Court and to disburse the funds to the appropriate agencies in the most expeditious manner. All accounting transactions are recorded and maintained by Judicial Administration.

##### **Legal Assistance Program Fund**

As provided by Louisiana Revised Statute 13:1000, the Fund was created in 2011 for the purpose or purposes related to the establishment and proper administration of a legal assistance program to provide by rule the means to assure that persons served by a qualified pro bono project, legal services or the state's protection and advocacy system for persons with disabilities are determined to be financially unable to afford the services of legal counsel. The Fund is to be administered by the presiding judge or judges thereof or by an employee designated by the Court. All accounting transactions are recorded and maintained by Judicial Administration.

#### ***Budgetary Accounting***

As required by Louisiana Revised Statute 39:1303, the Judges of the Court adopt an annual budget for the Judicial Expense Fund. The budget is legally enacted and amended through a meeting of the Court's Judges. The budget is prepared primarily on the modified accrual basis of accounting, except that losses resulting from claims and litigation are recorded when paid instead of when the liability arises. The accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund Type – Budget (Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on the budgetary basis. Budgeted amounts are as originally adopted or as finally amended by the Court's Judges.

The Judges, as allowed by state law, do not adopt a budget for its non-judicial Special Revenue Funds. However, a budget is submitted to the respective grantor for approval. Funding is from various federal, state or local agencies. The budgets are prepared on various grant year-ends. Therefore, budget-to-actual comparisons for the Special Revenue Funds are not presented for the year-ended December 31, 2012.

# **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

## **NOTES TO FINANCIAL STATEMENTS - CONTINUED**

*December 31, 2012*

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

#### ***Cash***

All of the Court's deposits, including cash, money market accounts, and certificates of deposit are carried at cost. At year-end, the carrying amounts of these deposits were \$2,257,420.

#### ***Custodial Credit Risk - Deposits***

Custodial credit risk is the risk that in the event of a bank failure, the Court's deposits may not be returned to it. The Court does not have a deposit policy for custodial credit risk. As of December 31, 2012, the bank balance was \$2,350,882. Of this balance, \$500,000 was covered by federal depository insurance which was exposed to custodial risk credit risk. The remaining \$1,850,882, which was exposed to custodial credit risk, was collateralized with securities held either by the pledging financial institutions agent or agent in Jefferson Parish's name.

#### ***Prepaid Assets***

Payments made to vendors for services that will benefit periods beyond December 31, 2012 are recorded as prepaid assets in the government-wide financial statements and the fund financial statements.

#### ***Capital Assets and Depreciation***

For the government-wide financial statements, capital assets are recorded at cost in the statement of net position. Donated assets are valued at their estimated fair market value on the date received. The Court does not have any infrastructure assets. Depreciation is computed using the straight line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and Equipment	5 - 7 years

For fund financial statements, capital acquisitions are reflected as expenditures in the governmental fund at the time purchased.

#### ***Interfund Transactions***

All interfund transactions are reported as operating transfers, with the residual amounts not transferred during the year reported as due to or from the originating fund. Transfers are used to move fines and fees collected by the Collections Fund to the Judicial Expense Fund, The Intensive Probation Drug Court Fund, and the Intensive Probation Services Fund. Interfund transactions are eliminated in the presentation of the Government-wide Statement of Net Position and Statement of Activities.

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### **NOTES TO FINANCIAL STATEMENTS - CONTINUED**

*December 31, 2012*

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

##### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

##### ***Equity Classifications***

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Invested in capital assets – consist of capital assets including restricted assets, net of accumulated depreciation.
- b. Restricted net position – consist of net position with constraints placed on their use either by external groups or law.
- c. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “invested in capital assets.”

##### ***Governmental Fund Balances***

On January 1, 2011, the Court adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which significantly changed the reporting of fund balance in the balance sheets of governmental type funds.

In the governmental fund financial statements, fund balances are classified as follows:

1. Non-spendable fund balance – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted fund balance – amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors, creditors, or citizens.
3. Committed fund balance – amounts that can be used only for specific purposes determined by a formal action by the Judges of the Twenty-Fourth Judicial District Court.
4. Assigned fund balance – amounts that are constrained by the Court’s intent that they will be used for specific purposes.
5. Unassigned fund balance – all amounts not included in the other spendable classifications.

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### **NOTES TO FINANCIAL STATEMENTS - CONTINUED**

*December 31, 2012*

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

##### **Governmental Fund Balances - Continued**

The Court considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The Court also considers committed fund balances to be spent first when other unrestricted fund balance classifications are available for use.

##### **Vacation and Sick Leave**

The employees paid through the Court's funds are allowed 160 hours of vacation and sick time throughout the year. Any unused time at the end of the year is lost and will not be paid.

#### **NOTE 2 - CHANGE IN REPORTING ENTITY**

For the year ended December 31, 2012, the Court consolidated all funds, previously reported individually, into a new reporting entity named the Twenty-Fourth Judicial District Court. The Court's purpose for the change is to present the financial operations of the Court as a whole to provide users of the financial statements a better understanding of the financial position of the government. Beginning net position of all funds previously reported separately has been consolidated into government-wide beginning net position. Individual beginning fund balances have remained the same.

#### **NOTE 3 - DUE FROM OTHER GOVERNMENTS**

Due from other governments at December 31, 2012 are summarized below:

	<u>Judicial Expense Fund</u>	<u>Intensive Probation Drug Court Fund</u>	<u>Total</u>
Due from other governments:			
Clerk of Court	\$ 11,940	\$ -	\$ 11,940
Sheriff	16,773	-	16,773
Louisiana State Supreme Court	-	94,654	94,654
Total	<u>\$ 28,713</u>	<u>\$ 94,654</u>	<u>\$ 123,367</u>

#### **NOTE 4 - ACCOUNTS RECEIVABLE**

These amounts consist mainly of probation, assessment and lab fees due from participants for services administered through December 31, 2012, but not yet remitted to the Intensive Probation Drug Court Fund and the Drug Lab Fund.



## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### **NOTES TO FINANCIAL STATEMENTS - CONTINUED**

December 31, 2012

#### **NOTE 5 - CAPITAL ASSETS**

A summary of changes in Capital Assets during the year is as follows:

	<u>Balance 01/01/12</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/12</u>
Furniture and equipment	\$ 876,951	\$ 22,415	\$ (2,013)	\$ 897,353
Total at historical cost	876,951	22,415	(2,013)	897,353
Total accumulated depreciation	<u>696,456</u>	<u>56,284</u>	<u>(1,553)</u>	<u>751,187</u>
Capital assets, net	<u>\$ 180,495</u>	<u>\$ (33,869)</u>	<u>\$ (460)</u>	<u>\$ 146,166</u>

Depreciation expense amounted to \$56,284 for the year ended December 31, 2012.

#### **NOTE 6 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The statutes which created the Court and its programs place certain limitations and restrictions on the collections and disbursements of the funds. The Court is in compliance with all significant limitations and restrictions for 2012.

#### **NOTE 7 - ON-BEHALF PAYMENTS**

GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* establishes requirements that on-behalf payments for salaries and fringe benefits be recognized as revenue and expenditures in the employer's financial statements. On-behalf payments for salaries and fringe benefits are direct payments made by one entity (Jefferson Parish) to a third-party recipient for the employee of another, legally separate entity (The Twenty-Fourth Judicial District Court). During the year ended December 31, 2012, Jefferson Parish paid state mandated salaries and fringe benefits of \$4,257,230 directly to the Court's employees. This amount included \$546,911 paid to a pension plan on-behalf of the Court's employees and \$424,631 of other postemployment benefits. These amounts have been included in the financial statements of the Court's Judicial Expense Fund thus increasing intergovernmental revenues and various expenditures related to salaries and fringe benefits by \$4,257,230.

These are not considered operating payments of the Judicial Expense Fund, but are state mandated costs paid and budgeted by Jefferson Parish through their General Fund. Therefore these payments are not included in the operating budget of the Judicial Expense Fund.

#### **NOTE 8 - RISK MANAGEMENT**

The Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Court has obtained liability insurance for the judges and hearing officers and other supporting staff, as well as for employee dishonesty. Losses associated with the destruction or damage to assets are also covered through the Court.



## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### **NOTES TO FINANCIAL STATEMENTS - CONTINUED**

December 31, 2012

#### **NOTE 9 - POST-EMPLOYMENT BENEFITS**

##### ***Health and Life Insurance - Plan Description***

The Twenty-Fourth Judicial District Court (the Court) provides health care and life insurance benefits to its employees upon retirement through the retirement plan implemented by Jefferson Parish as authorized by Resolution No. 74791. Health coverage includes a fully insured group health maintenance organization plan (HMO) together with Medicare 65 plans for those eligible. Life insurance coverage is continued after retirement but at a reduced amount of coverage.

Medical benefits are provided to employees upon retirement according to the retirement eligibility provisions as follows: for employees hired prior to January 1, 2007, 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service; for employees hired after January 1, 2007, age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. The plan is a fully insured, single-employer defined benefit plan.

Life insurance coverage is provided in the amount of \$10,000 for retirees under age 70 and \$5,000 to retirees age 70 and older.

##### ***Funding Policy***

Effective with the Fiscal Year beginning January 1, 2009, the Court implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (GASB 45).

Prior to that, the Court recognized the cost of providing post-employment medical and life benefits (the Fund's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2012, the Court's portion of health care funding cost for retired employees totaled \$12,425, and the life insurance totaled \$221.

The remaining amount of the Annual Required Contribution (ARC) is funded based on the employers' contributions for each employee's health and life benefits.

##### ***Annual Required Contribution (ARC)***

The Court's Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the medical and life insurance benefits. The total ARC for the fiscal year beginning January 1, 2012 is \$45,007 for medical, and \$1,767 for life, as set forth below:

	Medical	Life
Normal Cost	\$ 10,935	\$ 459
30-year AAL amortization amount	33,199	1,274
Interest	873	34
Annual required contribution (ARC)	<u>\$ 45,007</u>	<u>\$ 1,767</u>

# TWENTY-FOURTH JUDICIAL DISTRICT COURT

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2012

### NOTE 9 - POST-EMPLOYMENT BENEFITS - Continued

#### **Net Post-employment Benefit Obligation**

The table below shows the Court's Net Other Post-employment Benefit (OPEB) Obligation for fiscal year ended December 31, 2012:

	<u>Medical</u>	<u>Life</u>
Annual Required Contribution (ARC)	\$ 45,007	\$ 1,767
Less: ARC Adjustment	(6,307)	(147)
Interest Earned on Investment (Net of Fees)	4,449	104
Annual Post-Employment Benefit Cost	<u>43,149</u>	<u>1,724</u>
Contributions:		
Current year retiree premiums	<u>(12,425)</u>	<u>(221)</u>
Increase in Benefit Obligation	30,724	1,503
Net Post-employment Benefit Obligation, Beginning of year	<u>58,048</u>	<u>3,055</u>
Net Post-employment Benefit Obligation, End of year	<u>\$ 88,772</u>	<u>\$ 4,558</u>

The following table shows the Court's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010	\$29,086	33.7%	\$38,787
2011	\$31,315	35.0%	\$61,103
2012	\$44,873	28.2%	\$93,330

#### **Funded Status and Funding Progress**

As of December 31, 2012, the Court made an annual required contribution to its post employment benefits plan based on actuarial calculations with the assumption of a 7% annual investment return. However, after year end, the annual required contribution was recalculated at a lower rate of investment return due to the economic conditions resulting in a higher annual required contribution. As of January 1, 2011, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$597,034 (medical) and \$22,906 (life), which is defined as the portion, as determined by a particular actuarial cost method (the Court uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>Medical</u>	<u>Life</u>
Actuarial Accrued Liability (AAL)	\$ 597,034	\$ 22,906
Actuarial Value of Plan Assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>597,034</u>	<u>22,906</u>
Funded Ratio (Act. Val. Assets/AAL)	0%	0%

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### **NOTES TO FINANCIAL STATEMENTS - CONTINUED**

December 31, 2012

#### **NOTE 9 - POST-EMPLOYMENT BENEFITS (continued)**

<b>Funded Status and Funding Progress – Continued</b>	<u>Medical</u>	<u>Life</u>
Total Payroll	\$ 619,032	\$ 619,032
UAAL as a percentage of covered payroll	96.5%	3.7%

#### **Actuarial Methods and Assumptions**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Court and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Court and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Court and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

#### **Actuarial Cost Method**

The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets are based on actuarial valuations of a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement No. 45.

#### **Turnover Rate**

The following age related turnover scale was used:

<u>Age</u>	<u>Percent Turnover</u>
18 – 25	35.0%
26 – 40	25.0%
41 – 54	20.0%
55+	10.0%

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### **NOTES TO FINANCIAL STATEMENTS - CONTINUED**

*December 31, 2012*

#### **NOTE 9 - POST-EMPLOYMENT BENEFITS - Continued**

##### ***Post-employment Benefit Plan Eligibility Requirements***

It is assumed that entitlement to benefits will commence three years after earliest eligibility for retirement. Eligibility for retirement for employees hired before January 1, 2007 has been assumed to be the earliest of: (1) 30 years of service at any age, (2) age 55 and 25 years of service, (3) age 60 and 10 years of service or (4) age 65 and 7 years of service; eligibility for employees hired after January 1, 2007 has been assumed to be the earliest of: (1) age 55 and 30 years of service, (2) age 62 and 10 years of service or (3) age 67 and 7 years of service. Entitlement to benefits continues through Medicare to death.

##### ***Investment Return Assumption (Discount Rate)***

GASB Statement No. 45 states that the investment return assumption should be estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Based on the assumption that the ARC will be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long-term return of a balanced and conservative investment portfolio under professional management.

##### ***Future Cost Increase (Trend) Rate***

The expected rate of increase in medical cost is based on 11% graded uniformly to 5% over 12 years. Retiree life insurance premiums are paid 100% by the Fund. The rate for retirees is \$1.84 per \$1,000 of insurance in force per month. The same actuarial assumptions as those used for medical benefits were used to value life insurance post-employment except that a zero trend factor assumption was used.

##### ***Mortality Rate***

The RP-2000 Combined Mortality Table (RP-2000), projected to 2010, using Projection Scale AA. This mortality table is required and approved by the Internal Revenue Code Sec 430, defining minimum required contribution for a defined benefit plan.

##### ***Method of Determining Value of Benefits***

The portion of the total retiree medical premium which would be paid by the Court is determined according to a "vesting" schedule based on the number of years of service at retirement date. There are different schedules for retiree coverage and for dependent coverage. The portion of the premium after retirement date (based on these "vesting" schedules) expected to be paid by the Court for each retiree has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. It has been assumed that enrollees will retain the same coverage types after retirement date as they had during employment.

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### **NOTES TO FINANCIAL STATEMENTS - CONTINUED**

*December 31, 2012*

#### **NOTE 9 - POST-EMPLOYMENT BENEFITS - Continued**

##### ***Cost of Living Plan***

In addition to the health care and life insurance benefits noted above, the Court also provides a supplement to retirees' pensions as authorized by Jefferson Parish Ordinance No. 18176. This benefit is available to retirees participating in either the Employees' Retirement System of Jefferson Parish or the Parochial Employees' Retirement System of Louisiana who have been retired for at least one year. This additional benefit is paid once a year and is calculated as 2% of the monthly benefit times the number of months the person has been retired including partial years. The minimum additional payment is \$350 and the maximum payment is \$1,200. Any additional payment due to the retiree per these calculations is further reduced by any cost of living adjustment benefits paid by the Parochial Employees' Retirement System of Louisiana (not available to all plan participants). One retiree received the cost of living adjustment from the Court in 2012.

#### **NOTE 10 - RETIREMENT PLAN**

The Parochial Employees' Retirement System Board of Trustees (The Board) administers the Parochial Employees' Retirement System (the Plan), a cost-sharing multiple employer defined benefit plan established by the Louisiana Legislature as of January 1, 1953, by Act 205 of 1952. The Plan was revised by Act No. 765 of 1979, effective January 1, 1980, to create the Plan A and Plan B fund to replace the "regular plan" and the "supplemental plan". The Plan is operating pursuant to LSA-R.S. 11:1901 through 11:2015. All employees of the Court are members of Plan A.

Under the Plan, for employees hired prior to January 1, 2007 a member is eligible for normal retirement if the participant has at least 30 years of creditable service regardless of age, or 25 years of creditable service and is at least 55 years old, or 10 years of creditable service and is at least 60 years old or 7 years of creditable service and is at least 65 years old. For employees hired after January 1, 2007, a member is eligible for normal retirement if the participant has at least 30 years of creditable service and is at least 55 years old, or 10 years of creditable service and is at least 62 years old or 7 years of creditable service and is at least 67 years old. The monthly retirement benefit is equal to three percent of the member's average monthly compensation for any 36 months of consecutive service in which compensation was highest, multiplied by years of creditable service, not to exceed 100 percent of the member's final compensation. Retirement benefits are payable monthly for the life of the retiree. Under certain conditions, upon the retiree's death, benefits are payable to the retiree's surviving spouse and minor children.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. The financial report for the year ended December 31, 2012 may be obtained by writing to: The Parochial Employees' Retirement System, P.O. Box 14619, Baton Rouge, LA 70898.

Funding Policy - Member contributions, established by Statute at 9.5% of compensation for Plan A, are deducted from the member's salary and remitted by the participating employers. Employer contributions are actuarially determined every fiscal year according to statutory process. The Frozen Attained Age Normal Cost Method is used to calculate the funding requirements for Plan A with the unfunded accrued liability frozen as of December 31, 1989, and originally amortized over 40 years with payments increasing at 4% per year. Written notice of these rates is provided to employers annually. In 2012, the employer rate was 15.75% for Plan A. Actual contributions made by the Court for the years 2012, 2011, and 2010 were \$91,949, \$70,912, and \$62,264, respectively.

# TWENTY-FOURTH JUDICIAL DISTRICT COURT

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2012

### NOTE 11 - FUND BALANCES

Description:	Major Funds					
	Judicial Expense Fund	Intensive Probation Drug Court Fund	Collections Fund	Legal Assistance Program Fund	Total Nonmajor Funds	Total Governmental Funds
Fund Balances:						
Nonspendable:						
Prepaid insurance	\$ 31,878	\$ -	\$ -	\$ -	\$ -	\$ 31,878
Restricted for:						
Intensive Probation Drug Court	-	877,066	-	-	-	877,066
Domestic Support Services	-	-	-	-	8,855	8,855
Committed to:						
Divisional expenditures	592,988	-	-	-	-	592,988
Assigned to:						
Drug Lab	-	-	-	-	193,190	193,190
Unassigned:	<u>446,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,903)</u>	<u>436,991</u>
Total Fund Balances:	<u>\$ 1,071,760</u>	<u>\$ 877,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,142</u>	<u>\$ 2,140,968</u>

### NOTE 12 - INTENSIVE PROBATION SERVICES FUND DEFICIT

At December 31, 2012, the Intensive Probation Services Fund had a deficit fund balance of \$9,903. Effective May, 2012, the Judges of the Court approved En banc, the collection of a \$15 fee to support the operations of this Fund and mitigate a deficit fund balance from occurring in the future.

### NOTE 13 - SUBSEQUENT EVENTS

Subsequent events were evaluated through June 25, 2013, which is the date the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2012 that required recognition or disclosure in these financial statements.

***REQUIRED SUPPLEMENTARY INFORMATION***



**TWENTY-FOURTH JUDICIAL DISTRICT COURT  
JUDICIAL EXPENSE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL**

December 31, 2012

BUDGETED AMOUNTS

	<u>Original Budget</u>	<u>Final Budget</u>	<u>General Fund</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues				
Charges for services				
Clerk of Court fees	\$ 205,000	\$ 195,000	\$ 185,431	\$ (9,569)
Bond fees	215,000	220,000	229,121	9,121
Other Revenues				
Interest income	250	100	115	15
Intergovernmental	9,600	9,000	9,604	604
Miscellaneous	<u>-</u>	<u>-</u>	<u>460</u>	<u>460</u>
Total Revenues	429,850	424,100	424,731	631
Expenditures				
Current				
General government				
Audit fees	12,000	16,000	15,870	130
Banking	-	700	413	287
Cellular phones	20,000	18,000	17,535	465
Dues and subscriptions	100,000	90,000	99,786	(9,786)
Furniture	12,000	4,000	-	4,000
Liability insurance	35,000	31,000	35,882	(4,882)
Meetings	11,000	13,000	11,930	1,070
Miscellaneous	12,000	11,000	16,073	(5,073)
Office supplies	35,000	45,000	39,691	5,309
Professional services	5,000	11,000	15,043	(4,043)
Postage	200	200	6	194
Repairs and maintenance	55,000	35,000	28,899	6,101
Secretary expense	3,000	3,000	3,000	-
Small computer equipment	5,000	3,000	6,215	(3,215)
Storage	15,500	18,000	16,224	1,776
Training & travel	75,000	80,000	83,766	(3,766)
Capital outlay	<u>35,000</u>	<u>10,000</u>	<u>9,643</u>	<u>357</u>
Total Expenditures	<u>430,700</u>	<u>388,900</u>	<u>399,976</u>	<u>(11,076)</u>

**TWENTY-FOURTH JUDICIAL DISTRICT COURT  
JUDICIAL EXPENSE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL - Continued**

December 31, 2012

	<u>BUDGETED AMOUNTS</u>			Variance with Final Budget- Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>General Fund</u>	<u></u>
Excess (Deficiency) of Revenues over Expenditures	(850)	35,200	24,755	(10,445)
Other Financing Sources				
Transfers in				
Judicial interest	400	5,000	6,484	1,484
Contempt payments	<u>15,000</u>	<u>9,000</u>	<u>8,314</u>	<u>(686)</u>
Total Other Financing Sources	<u>15,400</u>	<u>14,000</u>	<u>14,798</u>	<u>798</u>
Net Change in Fund Balance	14,550	49,200	39,553	(9,647)
Fund Balance				
Beginning of Year	<u>1,032,207</u>	<u>1,032,207</u>	<u>1,032,207</u>	<u>-</u>
End of Year	<u>\$ 1,046,757</u>	<u>\$ 1,081,407</u>	<u>\$ 1,071,760</u>	<u>\$ (9,647)</u>

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### **SCHEDULE OF FUNDING PROGRESS FOR THE COURT'S OPEB PLAN**

*For the Year Ended December 31, 2012*

#### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio Percentage	Covered Payroll	UAAL as % of Covered Payroll
12/31/2010	\$ 0	\$ 382,681	\$ 382,681	0%	\$ 398,188	96.1%
12/31/2011	\$ 0	\$ 457,475	\$ 457,475	0%	\$ 459,006	99.7%
12/31/2012	\$ 0	\$ 619,940	\$ 619,940	0%	\$ 619,032	100.1%

## **OTHER SUPPLEMENTAL INFORMATION**

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### **NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS**

*For the Year Ended December 31, 2012*

#### **Domestic Relations Section Support Fund**

As provided by Louisiana Revised Statute 46:236.5, the Fund was created for the purpose of expediting the process for the establishment and enforcement of support obligations (child support and alimony) under the jurisdiction of the Twenty-Fourth Judicial District Court Domestic Relations Section. All accounting transactions are recorded and maintained by Judicial Administration.

#### **Drug Lab Fund**

As provided by the Louisiana Code of Civil Procedure, Article 191, the Fund was created in 2009 for the purpose or purposes related to the establishment and proper administration of a Drug Lab to process drug tests of the Court. The Fund is to be administered by the presiding judge or judges thereof or by an employee designated by the Court. All accounting transactions are recorded and maintained by the Jefferson Parish accounting department.

#### **Intensive Probation Services Fund**

As provided by the Louisiana Code of Civil Procedure, Article 191, the Fund was created in 2011 for the purpose or purposes related to the establishment and proper administration of a probation program of the Court to be administered by the presiding judge or judges thereof or by an employee designated by the Court. All accounting transactions are recorded and maintained by the Jefferson Parish accounting department.

# TWENTY-FOURTH JUDICIAL DISTRICT COURT

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

December 31, 2012

	<u>Drug Lab Fund</u>	<u>Intensive Probation Services Fund</u>	<u>Domestic Relations Section Support Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 194,743	\$ -	\$ 8,855	\$ 203,598
Accounts receivable	6,740	3,037	-	9,777
Due from other funds	<u>-</u>	<u>4,321</u>	<u>-</u>	<u>4,321</u>
<b>TOTAL ASSETS</b>	<u>\$ 201,483</u>	<u>\$ 7,358</u>	<u>\$ 8,855</u>	<u>\$ 217,696</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Cash overdraft	\$ -	\$ 14,528	\$ -	\$ 14,528
Accounts payable	<u>8,293</u>	<u>2,733</u>	<u>-</u>	<u>11,026</u>
<b>TOTAL LIABILITIES</b>	<u>8,293</u>	<u>17,261</u>	<u>-</u>	<u>25,554</u>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	-	-	8,855	8,855
Assigned	193,190	-	-	193,190
Unassigned	<u>-</u>	<u>(9,903)</u>	<u>-</u>	<u>(9,903)</u>
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>193,190</u>	<u>(9,903)</u>	<u>8,855</u>	<u>192,142</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 201,483</u>	<u>\$ 7,358</u>	<u>\$ 8,855</u>	<u>\$ 217,696</u>

## TWENTY-FOURTH JUDICIAL DISTRICT COURT

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2012

	Drug Lab Fund	Intensive Probation Services Fund	Domestic Relations Section Support Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Charges for Services				
Probation fees	\$ -	\$ 107,119	\$ -	\$ 107,119
Drug Lab fees	257,876	-	-	257,876
Domestic support enforcement fees	-	-	2,019	2,019
Other Revenues				
Federal grants	-	47,699	-	47,699
Interest income	-	-	10	10
	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
<b>TOTAL REVENUES</b>	257,876	154,818	2,029	414,723
<b>EXPENDITURES</b>				
Judicial Activities				
Advertising	39	42	-	81
Audit fees	7,828	3,015	-	10,843
Buildings and structures	8,167	-	-	8,167
Computer services	804	-	-	804
Contract personnel	22,508	27,508	-	50,016
Drug testing supplies	59,017	-	-	59,017
FICA	-	1,618	-	1,618
Health – current	8,135	19,567	-	27,702
JPRS	1,266	2,685	-	3,951
Life – current	109	198	-	307
Medicare	1,086	2,356	-	3,442
Office supply	5,208	20,100	-	25,308
PAR employee	12,466	22,085	-	34,551
Pension factor	198	351	-	549
Professional services	-	3,050	-	3,050
Salaries	71,053	167,445	-	238,498
Small computer equipment	338	1,947	-	2,285
Training & travel	-	1,076	-	1,076
Unemployment	277	587	-	864
Uniforms	628	-	-	628
	<u>628</u>	<u>-</u>	<u>-</u>	<u>628</u>
<b>TOTAL EXPENDITURES</b>	199,127	273,630	-	472,757

## TWENTY-FOURTH JUDICIAL DISTRICT COURT

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2012

	<u>Drug Lab Fund</u>	<u>Intensive Probation Services Fund</u>	<u>Domestic Relations Section Support Fund</u>	<u>Total Nonmajor Governmental Funds</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	58,749	(118,812)	2,029	(58,034)
OTHER FINANCING SOURCES				
Transfers in Probation fees	-	93,007	-	93,007
TOTAL OTHER FINANCING SOURCES	-	93,007	-	93,007
NET CHANGE IN FUND BALANCES	58,749	(25,805)	2,029	34,973
FUND BALANCES BEGINNING OF YEAR	<u>134,441</u>	<u>15,902</u>	<u>6,826</u>	<u>157,169</u>
END OF YEAR	<u>\$ 193,190</u>	<u>\$ (9,903)</u>	<u>\$ 8,855</u>	<u>\$ 192,142</u>



## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*For the Year Ended December 31, 2012*

<u>Federal Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>
United States Department of Health and Human Services Passed through the Louisiana Department of Social Services: Temporary Assistance for Needy Families (TANF) State Plan	93.558	\$ 245,861
United States Department of Justice Passed through the Louisiana Business Council of New Orleans and the River Region: Congressionally Recommended Awards – ID # 2010-DD-BX-0628 New Orleans Crime Coalition Violent Crime Reduction Program	16.753	<u>47,104</u>
Total Federal Awards Expended		<u>\$ 292,965</u>

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*For the Year Ended December 31, 2012*

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### ***Basis of Presentation***

The accompanying *Schedule of Expenditures of Federal Awards* includes the federal grant activity of the Twenty-Fourth Judicial District Court and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

# Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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MARY ANNE GARCIA, CPA  
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WILLIAM B. HAMILTON, CPA  
KATHARINE M. LASSITER, CPA  
RICHARD J. RUMNEY, CPA

Members  
American Institute of CPA's  
Society of Louisiana CPA's

## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Judges of the  
Twenty-Fourth Judicial District Court  
Gretna, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Twenty-Fourth Judicial District Court (the Court) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements and have issued our report thereon dated June 25, 2013.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Court's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that were reported to management of the Twenty-Fourth Judicial District Court in a separate letter dated June 25, 2013.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KUSHNER LAGRAIZE, L.L.C.

*Kushner LaGraize, L.L.C.*

Metairie, Louisiana  
June 25, 2013

## ***SCHEDULE OF FINDINGS***

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### **SCHEDULE OF FINDINGS** *For The Year Ended December 31, 2012*

#### **SECTION I - SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the Court.
2. No significant deficiencies in internal control relating to the audit of the financial statements are reported in the *Internal Auditors' Report on Internal Control Over Financial Reporting And on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance of the Court are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting And on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.

#### **SECTION II - FINANCIAL STATEMENT FINDINGS**

None

***Memorandum of Advisory Comments***

**TWENTY-FOURTH  
JUDICIAL DISTRICT COURT**

*December 31, 2012*

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Comment and Suggestion:	
General Comment .....	2
Management's Corrective Action Plan .....	3



***INTERNAL CONTROL  
AND RELATED MATTERS***

# Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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Members  
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Society of Louisiana CPA's

To the Judges of the  
Twenty-Fourth Judicial District Court  
Gretna, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Twenty-Fourth Judicial District Court ("the Court"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements, and have issued our report thereon dated June 25, 2013. As part of our audit we considered the Court's internal control in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control.

Our consideration of the internal control has been reported on in a separately issued report entitled "*Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.*"

This memorandum summarizes one other matter which has come to our attention. While not involving a significant deficiency, this matter does present opportunities for strengthening the internal control and improving the operating efficiency of the Court.

We have discussed our comment and recommendation with various administrative personnel and the Court has completed a corrective action plan. We will be pleased to discuss this comment and suggestion with you in further detail at your convenience, perform any additional study of this matter, or assist you in implementing the recommendation.

*Kushner LaGraize, L.L.C.*

Metairie, Louisiana  
June 25, 2013

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

### **COMMENT AND SUGGESTION**

*December 31, 2012*

#### **Comment**

##### **Criteria:**

Management is responsible for reconciling accounting transactions in a timely manner to ensure amounts recorded are properly classified, accurate and complete.

##### **Condition:**

During our audit procedures of the Collections Fund (the Fund), although the ending account balances were correct, we noted numerous adjusting and reclassification journal entries made at year end to these accounts.

##### **Cause:**

Management was not consistently reconciling accounting transactions throughout the year.

##### **Effect:**

Failure to reconcile accounting transactions in a timely manner could lead to inaccurate and incomplete financial information as well as increase the risk of a misstatement.

##### **Recommendation:**

We recommend that management reconcile the accounting transactions on a monthly basis to ensure that accurate and complete information is available throughout the year and not just at year end.

##### **Management's Response:**

See Management's Corrective Action Plan.



JUDGES

RAYMOND S. RUIB, JR., DIVISION A  
CORNELIUS F. REEDY, DIVISION B  
RUFUS H. DARENSBURG, DIVISION C  
SCOTT H. SCHLEGEL, DIVISION D  
JOHN J. MOLAIOSY, JR., DIVISION E  
MICHAEL P. MENTZ, DIVISION F  
ROBERT A. PIHRE, JR., DIVISION G  
GLENN B. ANSARDI, DIVISION H  
NANCY A. MILLER, DIVISION I  
STEPHEN C. GREFFER, DIVISION J  
ELLEN S. KOVACH, DIVISION K  
DONALD A. RUWAN, JR., DIVISION L  
HENRY G. SULLIVAN, JR., DIVISION M  
STEPHEN D. ENRIGHT, JR., DIVISION N  
ROSS P. LACART, DIVISION O  
LEE V. FAULKNER, JR., DIVISION P

OFFICE OF DISTRICT JUDGES

24<sup>TH</sup> JUDICIAL DISTRICT  
JEFFERSON PARISH COURTHOUSE  
GRETN, LOUISIANA

**CORRECTIVE ACTION PLAN**

June 26, 2013

Louisiana Legislative Auditor

The Twenty-Fourth Judicial District Court respectfully submits the following corrective action plan for the year ended December 31, 2012.

Independent Public Accounting Firm:  
Kushner LaGraize, L.L.C.  
3330 West Esplanade Avenue Suite 100  
Metairie, Louisiana 70002

Audit Period: January 1, 2012 through December 31, 2012

**2012-01**

During our audit procedures of the Collections Fund (the Fund), although the ending account balances were correct, we noted numerous adjusting and reclassification journal entries made at year end to these accounts.

**Recommendation:**

We recommend that management reconcile the accounting transactions on a monthly basis to ensure that accurate and complete information is available throughout the year and not just at year end.

**Management Response**

The Twenty-Fourth Judicial District Court began and will continue to reconcile accounting transactions on a monthly basis and make any necessary adjustments throughout the fiscal period.